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UNCLAS YEREVAN 002449

SIPDIS

SENSITIVE

STATE FOR EUR/CACEN FOR SIDEREAS, EUR/ACE FOR LONGI, EB/ESC,
PASS TO USAID EGAT FOR WALTER HALL

E.O. 12958: N/A

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SUBJECT: ARMENIAN FLIGHTS HAMPERED BY FUEL SHORTAGES

Ref: A) YEREVAN 2367 B) YEREVAN 2406

1. This cable is sensitive but unclassified. Please protect accordingly.

SUMMARY

2. (SBU) A shortage of aviation fuel is forcing Armenia's outbound flights to make intermediate landings to refuel before continuing on their scheduled itinerary. Although government and aviation authorities claim the problem has been solved and expect a shipment soon, the Directorate of Civil Aviation told us that they have nevertheless instructed airlines to take care of their own fuel needs (from other airports) until the situation stabilizes. GOAM officials allege that actions of Azerbaijan have caused the shortages. End Summary.

ARMENIAN FLIGHTS FORCED TO FUEL ELSEWHERE

3. (U) Armenia's main carrier Armavia has borne the brunt of Armenia's shortage of aviation fuel over the last three weeks. Their twice-daily service to Moscow, a two-and-one-half hour flight, requires a stopover in the southern Russian city of Sochi to refuel. Insufficient supply has driven prices at Yerevan's Zvartnots Airport from USD 380 per ton to USD 680 per ton, forcing European airlines like Austrian Air to carry fuel for their return trip with them to Yerevan.

AZERI EMBARGO?

4. (SBU) Deputy Minister of Trade Tigran Davtyan confirmed reports in the press that shipments of aviation fuel to Armenia have been limited by authorities in Georgia under pressure from Azerbaijan. Armenia's aviation fuel comes from Turkmenistan via both Georgia and Azerbaijan. Davtyan said that President Kocharian discussed the issue with Georgian President Saakashvili along with other transport concerns "in the context of Georgia's WTO obligations to Armenia." He said that Georgia had promised to solve the problem. Head of Air Traffic Control Elmira Minasyan at Zvartnots International Airport confirmed that the airport is expecting to receive replenished supplies November 5 and does not expect a problem in the future.

COMMENT: ANOTHER SIGN OF ARMENIA'S VULNERABILITY

5. (SBU) Unsettled by the recent border closure between Russia and Georgia (ref A), possible pressure to deliver cheap electricity to Georgia (ref B), and now the shortage of aviation fuel, the geographic and political isolation of Armenia remains strongly in evidence. As Deputy Minister Davtyan pointed out, alternate trade routes through Iran are undeveloped and inconvenient, leaving Armenia vulnerable to disruptions in trade through Georgian territory. We are not able to verify Davtyan's claim that the Government of Azerbaijan is behind this interruption in supply.
EVANS